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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/636,125	08/07/2003	Robert B. Phelps	S-816	1568
2071	7590	12/27/2004		
SIEBERTH & PATTY 2924 BRAKLEY DRIVE SUITE A 1 BATON ROUGE, LA 70816				
			EXAMINER FRENEL, VANEL	
			ART UNIT 3626	PAPER NUMBER

DATE MAILED: 12/27/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/636,125	PHELPS, ROBERT B.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Vanel Frenel	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.**

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 07 August 2004.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>01/16/04</u> . | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### Notice to Applicant

1. This communication is in response to the application filed on 08/07/03. Claims 1-21 are pending.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-21 are rejected under 35 U.S.C.101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1, 9 and 17 only recites an abstract idea. The recited steps of merely investing at least a portion of one or more assets of a pension plan so as to acquire an interest in one or more current, in-force insurance contracts from one

or more owners of the one or more current, in-force insurance contracts does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to acquire an interest in one or more current, in-force insurance contracts.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces the total value of the pension plan assets (i.e., repeatable) used in determining at the same point in time with the same actuarially sound valuation method (i.e., useful, and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1, 9 and 17 are deemed to be directed to non-statutory subject matter.

In order for a claim to be statutory, the claimed invention must produce a useful, concrete, and tangible result and having "a computer system" or "a computer-medium" tied with the body of the claim in performing the recited steps.

As such, claims 1, 9 and 17 do not recite any application or use of the technological arts, and thus equally rejected under 35 U.S.C.101.

#### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Halley et al (4,969,094) in view of Banks (2003/0018498).

(A) As per claim 1, Halley discloses a method which comprises the step of: investing at least a portion of one or more assets of a pension plan so as to acquire an interest in one or more current, in-force insurance contracts from one or more owners of the one or more current, in-force insurance contracts, wherein each of the one or more insurance contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan (Col.2, lines 45-68 to Col.2, line 15), the remaining life expectancy of the insured or the remaining life expectancy of each of the insureds, when determined at least immediately after the acquisition, being such that (i) the total value of the pension plan assets, inclusive of the interest so acquired, determined immediately after the acquisition, is appreciably greater than (ii) the total value of the pension plan assets, exclusive of the interest so acquired and inclusive of the at least a portion of one or more assets of the pension plan invested (Col.2, lines 45-68 to Col.2, line 15).

Halley does not explicitly disclose the respective total values of (i) and (ii) being determined at the same point in time and in accordance with the same actuarially sound valuation method.

However, this feature is known in the art, as evidenced by Banks. In particular, Banks suggests the respective total values of (i) and (ii) being determined at the same point in time and in accordance with the same actuarially sound valuation method (See Banks, Page 3, Paragraph 0024; Page 6, Paragraphs 0047-0048).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Banks within the system of Halley with the motivation of providing employer, employees, plan actuary, investment manager, etc., with valuable information regarding the financial status of the plan (See Banks, Page 3, Paragraph 0024).

(B) As per claim 2, Banks discloses a method wherein the one or more current, in-force insurance contracts are life insurance contracts, and wherein each of the one or more life insurance contracts is characterized in that it provides a single death benefit on the life of an insured (See Banks, Page 2, Paragraph 0021).

(C) As per claim 3, Banks discloses a method wherein the remaining life expectancy of the insured, or of at least one of the insureds, under the one or more life insurance contracts is no more than 20 years (Page 6, Paragraph 0047).

(D) As per claim 4, Banks discloses a method wherein the remaining life expectancy of the insured, or of at least one of the insureds, under the one or more life insurance contracts is no more than 15 years (Page 6, Paragraph 0047).

(E) As per claim 5, Banks discloses a method wherein the remaining life expectancy of the insured or the remaining life expectancy of each of the insureds, when determined at any time after the acquisition but prior to the occurrence of death of the insured or of any one of the insureds, as applicable, being such that (i) the total value of the pension plan assets, inclusive of the interest so acquired, determined immediately after the acquisition, is appreciably greater than (ii) the total value of the pension plan assets, exclusive of the interest so acquired and inclusive of the at least a portion of one or more assets of the pension plan invested, the respective total values of (i) and (ii) being determined at the same point in time and in accordance with the same actuarially sound valuation method (See Banks, Page 3, Paragraph 0024; Page 6, Paragraphs 0047-0048).

(F) As per claim 9, Halley discloses in-force insurance contracts from one or more owners of the one or more current, in-force insurance contracts, wherein each of the one or more insurance contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan (See Halley, Col.2, lines 45-68 to Col.2, line 15).

Halley does not explicitly disclose a pension plan comprised of an investment portfolio, wherein the investment portfolio is comprised of an interest in one or more current.

However, this feature is known in the art, as evidenced by Banks. In particular, Banks suggests a pension plan comprised of an investment portfolio, wherein the investment portfolio is comprised of an interest in one or more current (See Banks, Page 5, Paragraphs 0042-0044).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Banks within the system of Halley with the motivation of providing employer, employees, plan actuary, investment manager, etc., with valuable information regarding the financial status of the plan (See Banks, Page 3, Paragraph 0024).

(G) Claim 17 differs from claim 1 and 9 by reciting an investment product marketable to a manager of a pension plan having assets to invest.

As per this limitation, it is noted that Halley discloses each of the insurance contracts having been obtained from one or more owners of the one or more current, in-force insurance contracts, wherein each of the one or more insurance contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, but in either case, the insured is not a beneficiary of the pension plan (Halley, Col.2, lines 45-68 to Col.2, line 15) and Banks discloses the investment product comprising a transferable interest in a pool of current, in-force insurance contracts, each of the insurance contracts (See Banks, Page 5, Paragraphs 0042-0044).



Thus, it is readily apparent these prior art systems utilize an investment product marketable to a manager of a pension plan having assets to invest to perform their specified function.

The remainder of claim 17 is rejected for the same reason given above for claims 1 and 9, and incorporated herein.

(H) Claims 6-8, 10-16 and 18-21 recite the underlying process steps of the elements of claims 2-5, and respectively. As the various elements of claims 2-5 have been shown to be either disclosed by or obvious in view of the collective teachings of Halley and Banks, it is readily apparent that the apparatus disclosed by the applied prior art performs the recited underlying functions. As such, the limitations recited in claims 6-8, 10-16 and 18-21 are rejected for the same reasons given above for claims 2-5, and incorporated herein.

### ***Conclusion***

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not the applied art teaches system and method for computing a financial projection of a prefunding program for other postretirement employee benefits under FASB statement 106 (5,802,500), method and apparatus that processes financial data relating to wealth accumulation plans (5,991,744), foundation funds generation system and method (2002/0035489) and system and method for

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creating a defined benefit pension plan funded with a variable life insurance policy and/or a variable annuity policy (2002/0198802).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vanel Frenel whose telephone number is 703-305-4952. The examiner can normally be reached on Monday-Thursday from 6:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 703-305-9588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

V.F  
V.F

December 17, 2004



ALEXANDER KALINOWSKI  
PRIMARY EXAMINER